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agricultural SITUATION

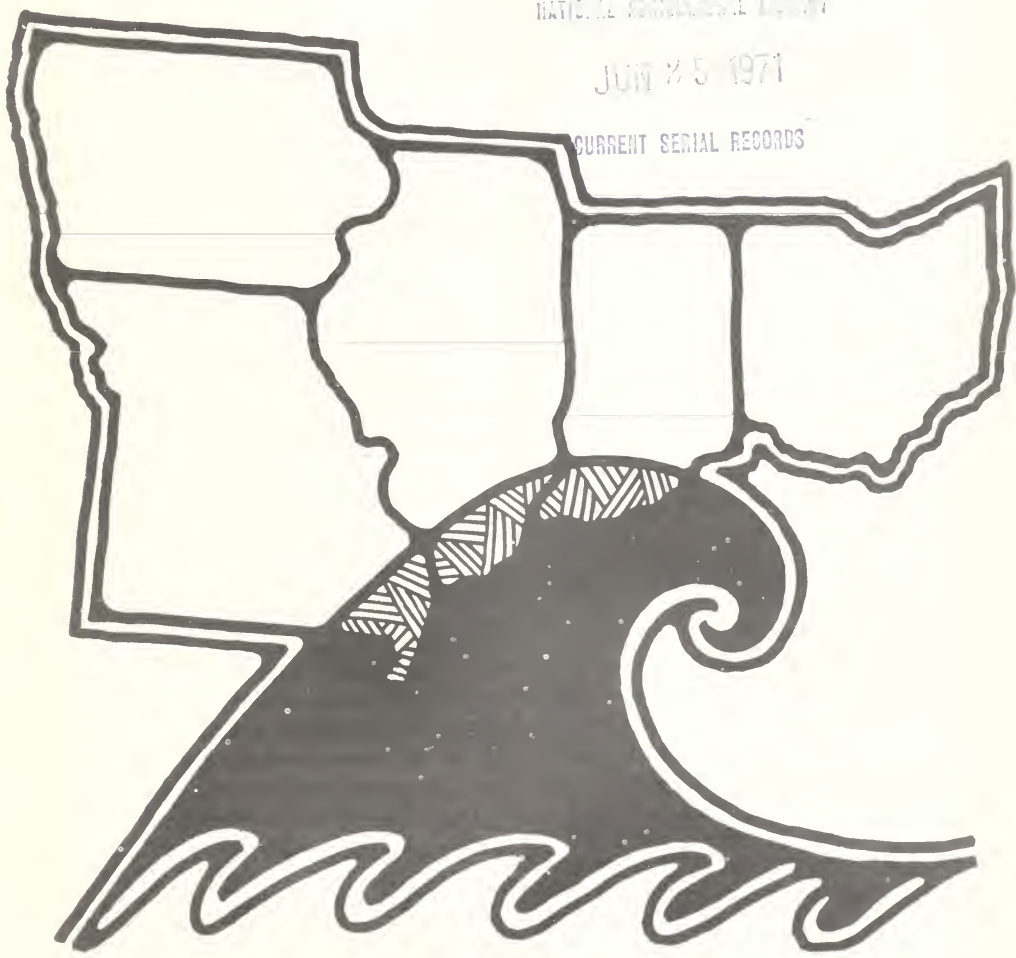
the crop reporters magazine

U.S. Department of Agriculture Statistical Reporting Service July 1971

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CURRENT SERIAL RECORDS



NEW WAVE IN MIDWEST FARMING

NEW WAVE IN MIDWEST FARMING

The three-part revolution in agriculture—scientific, technological, and now financial—has tipped the economic balance in favor of the larger farms.

What of the vital Midwest . . . where so much production is accomplished? Where units generally aren't as big as in other parts of the country with emphasis on family farming? Has it come to the point of grow or go for midwestern operators?

We talked over this subject with two economists in the Economic Research Service. Kenneth Krause heads up the Special Financial Analyses Group within the Farm Production Economics Division. Rudie Slaughter, Jr., is leader of the Production and Resource Response Group within the same division.

The two men do envision some change in Midwest farming based on developments in other sections of the country. Particularly they look for an expansion in the size of Midwest farms accompanied by a broadening of the "family farm" concept to include, as it often does elsewhere, very large farms that hire lots of labor but where financial and managerial control is still vested in the members of a single family.

Farm size

Krause: The Midwest was settled with family size units and farmers there have developed their growth objectives and their management capacities in terms of family operations.

There's an old saying where I come from that farmers generally prefer not to end up the richest men in the graveyard. I think this also helps to explain why midwestern farms haven't gotten extremely large.

Slaughter: Certainly there's nothing unique about corn or soybeans which

suggests that production must be on a smaller scale than cotton or tomatoes or great northern beans or any of the crops commonly produced on a large scale.

Production efficiency

Slaughter: Many economic studies have tended to show production efficiencies are exhausted at the two- to three-man level. After that, economists have hypothesized there are only slight gains in efficiency and there could even be some losses due to labor problems.

But until recently we haven't had many very large farms around to study. So our conclusions to date could be subject to modification.

Certainly the two- to three-man barrier has toppled in cattle feeding. We've got feedlots today—very efficient, profitable operations—with capacities inconceivable even a few years ago.

Market power

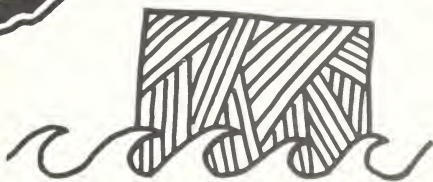
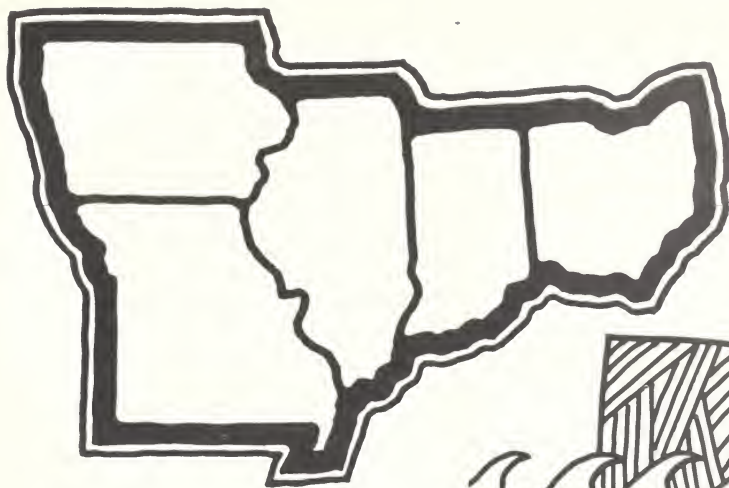
Krause: Smaller operators also pay more for their inputs and get less for their output.

Last year ERS conducted a survey of large midwestern corn farms—ones with more than 1,000 acres planted. In that study we focused on large farms' buying and selling advantages. From operators' responses we developed some models which indicated a 5,000-acre farm could probably save \$10 to \$15 an acre on input purchases compared with a 500-acre unit.

Plus, the larger units were able to net a nickel a bushel more for their corn by bypassing local elevators and selling direct to terminals or livestock feeders.

Family farm concept

Slaughter: Most farms in the Midwest still fit the official definition of a



family size unit—one that is operated by a man and his family with less than 1½ man-years of hired labor. This severe labor limitation in the definition tends to equate family farming with small-scale farming.

But I feel we will need a looser definition of a family farm to understand future developments in the Midwest and elsewhere.

Already in the South, Southwest, California especially, you come across many units that hire considerably more than 1½ man-years of labor but are considered family farms in their local communities because managerial and financial control are still vested in the members of one family.

Organization

Slaughter: Modern ideas in business management—particularly the concept of permanent debt—require that the life of a farm firm not be tied to the productive life of a single individual.

To get this kind of perpetual financing, midwestern farmers probably will move toward greater use of the corporate or limited partnership type of farm organization.

Credit sources

Krause: Family farms in the Midwest currently tend to borrow from the

more conventional sources of farm credit—country banks, production credit associations, Federal land banks, insurance companies.

But outside the Midwest, farmers are increasingly getting their financing direct from the general public. A few of the very large farms are even listed on the New York, American, and regional stock exchanges.

I'm not visualizing that traditional lenders will become unimportant on the Midwest farm credit scene. But I do see some new sources of credit being added.

Labor

Slaughter: In the Midwest, it's still rather rare to find a farm employing as many as 10 hired people. Partly this is because most midwestern operators are not experienced in managing hired workers and are reluctant to tackle the problems associated with recruiting, training, and supervising a large labor force.

I think midwestern farmers, though, are going to have to improve their personnel management skills so that their operations can grow in size. The farmers who do learn how to manage labor will acquire the farms of those who don't.

It's already been demonstrated that a skillful farmer can put together a

large operation in which he and all his workers can enjoy essentially the same life styles, the same vacations, the same perquisites of a good life that people in industry enjoy, plus, all the advantages of country living.

Krause: There's no lack of top quality labor in the Midwest. In our study of those large farms last year, we asked operators what their biggest business problems were. Labor was never mentioned.

We even pressed them on this point but the operators said there was ample, high quality labor available if the farmer was willing to pay for it.

Managerial capacity

Krause: In the past, farmers, and many economists, have tended to ignore the importance of entrepreneurial philosophy and growth objectives and the like. At the same time we have put too much emphasis on production efficiency.

Midwestern farmers are very adept at producing corn and soybeans and livestock. But many just haven't developed sophisticated decisionmaking techniques and financial and personnel management skills. Entrepreneurs from outside agriculture possess these skills and threaten to move in where these skills are lacking.

Slaughter: Fairly big farms will be necessary to generate the incomes required to acquire and keep men with the necessary business acumen. These men are still sufficiently rare that they can command pretty big salaries.

And certainly the combination of these skills in any one person is sufficiently rare to indicate midwestern farms must grow larger in order to employ enough people to acquire a reasonable quantity of talent.

Some of the necessary talent can be acquired from consultants, but even efficient use of custom management requires some minimum size which may be larger than now defined as family farm.

NUMBERS DON'T COUNT

Farm numbers shrink but farm acreage doesn't—much. That's been the story in U.S. agriculture for more than a decade now.

SRS calculates there were some 2,924,000 farms in operation last year—26 percent fewer than in 1960. However, farmland acreage, at 1,120,725,000 acres, was down a mere 5 percent.

Far and away the greater part of the land in farms at the outset of the 1960's was still in farms at the start of the 1970's. Only 56,221,000 acres had vanished from agriculture altogether, swallowed up by cities or highways or miscellaneous nonfarm uses.

The drop in farm numbers has been associated with continued gains in farm size. At 383 acres, the average size of farms across the Nation in 1970 topped that of 1960 by 86 acres. Between 1960-70, the average size of U.S. farms increased 29 percent.

Farm numbers dropped off most sharply in New England, where one in two farms went out of business sometime during the 1960's. In the North Atlantic, South Atlantic, and Pacific States the decade saw one in three farms disappear while the ratio was one in four in the East North Central and South Central Regions and one in five in the West North Central and Mountain States.

About 657,000 farms—slightly more than one-fifth the national total—were located in the West North Central Region last year. The area with the smallest number of farms was New England with 32,700.

The number of farms operating in the United States during 1971 is down to about 2,876,000—some 48,000 fewer than last year. Land in farms amounts to about 1,117,835,000 acres—off about a fourth of 1 percent—and average farm size is up to about 389 acres.

The disappearance of small farms as they merge into larger, more efficient operations continues as the important influence in changing farm numbers in the United States.



AT YOUR FINGERTIPS

Dial-a-crop, dial-a-steer, and other agri-dial-ins are available to farm product buyers and sellers in many parts of the country these days.

Agriculture first took to the automatic telephone answering service in 1956, when callers around Salinas, Calif., and Phoenix, Ariz., got the latest data on livestock and meat. Since then the Federal-State Market News Service, operated cooperatively by State Departments of Agriculture and USDA's Consumer and Marketing Service, have brought quick commodity news to 20 States. Information is often available 24 hours a day. Below are listed the numbers and when they're in operation. Offices operate year-round unless otherwise stated.

Directory

(Numbers in parenthesis refer to telephone area code.)

ALABAMA

Birmingham (800) 292-8508
Potatoes, May through June.

ARIZONA

Nogales (602) 287-5022
Fruits and vegetables, December through June.
Phoenix (602) 279-4134/35/36
Lettuce and other vegetables.
Yuma (602) 782-9597
Lettuce and melons, November through July.

CALIFORNIA

Bakersfield (805) 323-0727
Potatoes, May through July.
Blythe (714) 922-7152
Lettuce.
Coachella (714) 398-0069
Grapes, May through July.
El Centro (714) 352-5130/31
Lettuce, melons, and other vegetables, December through July.
Fresno
Melons, July through October.
(209) 264-2861
Cotton, October through December.
(209) 486-0511
Los Angeles
Hay and grain (213) 622-7822
Poultry and eggs (213) 622-0784
Salinas (408) 449-2221
Lettuce and other vegetables.
Santa Maria (805) 925-0091
Lettuce and other vegetables.
Stockton (209) 466-3085
Information on 12 major Midwest livestock markets, wholesale meat, California feedlot-range sales, and auction markets.

COLORADO

Alamosa (303) 589-6644
Lettuce, July through August.
Brush (303) 842-2249
Colorado feedlot cattle sales, feeder auction sales, meat trade information, Midwest hog market information.
Ft. Morgan (303) 842-2249
Same as Brush, Colo.
Greeley (303) 353-5170
Colorado feedlot sales, feeder auction sales, meat trade information, year-round. Lamb trading, December through March.
Monte Vista (303) 852-2568
Potatoes, September through May.
Palisade (303) 464-7771
Peaches, August through September.
Sterling (303) 522-4772
Same as Brush, Colo.
DELAWARE
Dover (302) 698-2345
Potatoes, July through October.

FLORIDA

Belle Glade (305) 996-5566

Vegetables.

Pompano Beach (305) 946-4343

Vegetables, October through May.

GEORGIA

Atlanta

Ready-to-cook broilers. (404) 526-3073

Eggs (404) 526-3075

Thomasville (912) 226-9511

Livestock.

IDAHO

Idaho Falls (208) 522-3979

Potatoes and onions, September through June.

ILLINOIS

Chicago

Potatoes, onions, and other vegetables (312) 353-7711/19

Eggs (312) 922-2030

Poultry and turkeys (312) 922-2997

Peoria (309) 676-8811

Livestock.

Springfield

Grain news—corn, wheat, soybeans, and oats for Springfield and Chicago. (217) 525-2055

Chicago meat trade and Illinois livestock prices. (217) 525-4019

IOWA

Ames

Slaughter livestock, meat prices. (515) 294-6899

Feeder cattle information. (515) 294-4347

Des Moines (515) 284-4624

Turkeys.

KANSAS

Dodge City (316) 225-1311

Direct trading of livestock in western Kansas, Colorado, and Oklahoma, and the wholesale meat trade.

Wichita (316) 267-6114

Livestock.

KENTUCKY

Frankfort (502) 564-4958

Livestock.

MICHIGAN

Detroit (313) 399-5515

Egg markets.

MISSOURI

St. Louis (314) 622-4517

Poultry and eggs.

NEBRASKA

Grand Island (308) 384-5101

Livestock.

Fremont (402) 721-4100

Livestock.

Omaha (402) 731-4481

Livestock.

NEW JERSEY

Bridgeton (609) 455-2510/11

Fruit and vegetables.

Hightown (609) 448-1482

Fruit and vegetables.

Newark (201) 645-3369

Eggs and butter.

NEW MEXICO

Clovis (505) 763-3030

Livestock market, carlot meat trade, cattle futures, Midwest livestock markets, year-round; local feedlot and range sales, every Friday.

Las Cruces (505) 646-4928/29

Lettuce and onions, October and May through June.

OKLAHOMA

Oklahoma City (405) 236-4114

Livestock.

TEXAS

Austin (512) 475-3845

Poultry and eggs, year-round.

Hereford (806) 364-0219

Vegetables, July through November.

Weslaco (512) 682-3351

Vegetables and citrus, October through June.

VIRGINIA

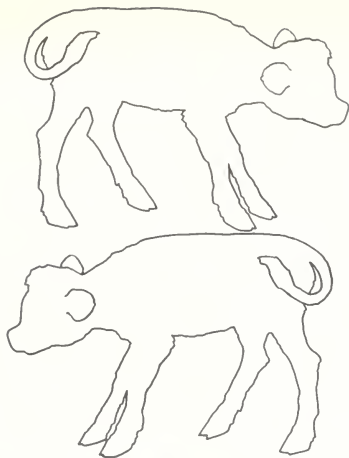
Onley (307) 787-3500

Potatoes, May through August.

WYOMING

Torrington (307) 532-2366

Marketings on slaughter and feeder cattle and lambs in Wyoming and western Nebraska, plus carlot meat information from Denver, Chicago, and New York.



BREEDING MORE BEEF

With the demand for beef projected to double between now and the year 2000, maybe even sooner, how are cattlemen going to gear up to meet demands?

In limited use now are two tactics—crossbreeding and artificial insemination (AI) which increase output. And a couple of other tactics that would give tremendous boosts to production are being researched.

CROSSBREEDING

Crossbreeding to get cattle that feed out better is increasing in commercial beef herds at a rapid rate. Already about 30 percent of market cattle are crossbred to some degree.

Research indicates that up to 20 percent improvement over pure line breeding is possible through increased calf survival and growth response, *plus* that all-important increase in feed use efficiency.

ARTIFICIAL INSEMINATION

Although only about 2 percent of the beef cows in the United States were artificially inseminated in 1967, lures for the beef producer are there. Benefits include:

—A rancher will be able to crossbreed from the best and most tested bulls.

—AI will reduce the number of bulls that the beef industry must keep up.

Currently the ratio on beef farms and ranges stands at 1 bull per 20 cows.

INDUCED TWINNING

Intensive research continues on induced twinning, which may be available by 1980. If and when it comes, look for some changes in cattle management systems.

Right now around 80 percent of the beef cows produce a live calf yearly. Given induced twinning, a calving rate of almost 160 percent might be achieved. In other words, cattlemen would have the potential to more than double the number of slaughter cattle within a single year.

CONTROL OF THE ESTRUS CYCLE

Approximately 7 to 8 million beef cows in the United States fail to reproduce annually, and the loss to the industry is a sizeable one—both through lowered calf production and added costs resulting from multiple services in breeding.

The most promising method under research to solve this problem is to inhibit ovulation for a while by means of drugs, then withhold the drug. This would bring the cow to heat at a predictable time.

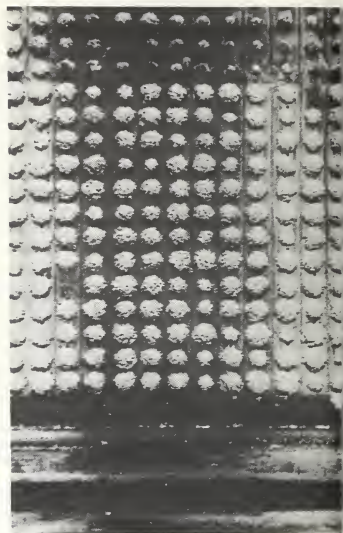
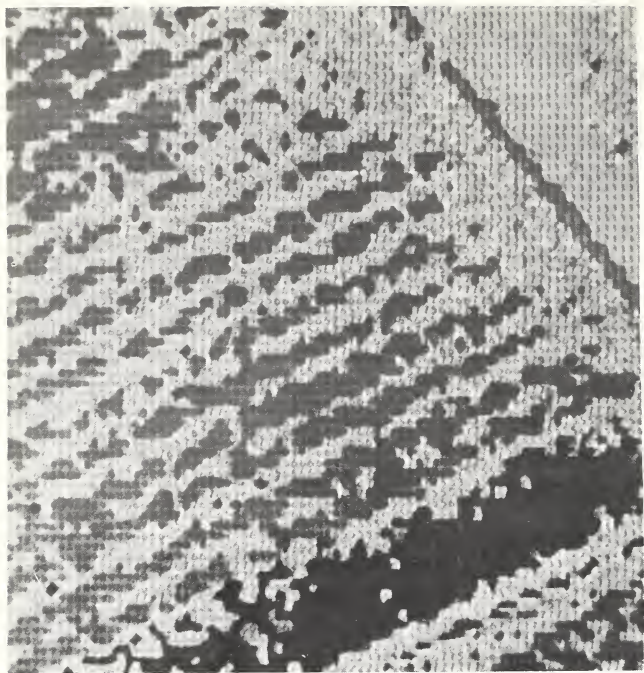
CONTROL OF SEX

Control of sex may be achieved for the cattle industry by about 1980.

At present births run roughly half male, half female, but it's desirable to alter this proportion.

For example, only cows from which replacement animals were desired would be bred to produce heifers. All others would produce bull calves, which are about 40 pounds heavier than heifers at weaning and about 10 percent more efficient in feed utilization—as steers of course.

Control of sex may be accomplished, in theory, by separating sperm into male and female components. Then, by AI, a rancher could obtain the sex of cattle he needs for his particular breeding and feeding program.



BLIGHT FLIGHTS

Snoopy's airborne doghouse has as much similarity to a real plane as Frank Parker's rudimentary aerial photographs have to today's multispectral scanner observations of corn blight.

However, both flyers possess in common a trait that brings results: ingenuity.

Frank Parker, formerly in charge of the North Carolina office of USDA's Statistical Reporting Service, used to inveigle a pilot to take him over the countryside. Then, with helmet and goggles firmly in place and white scarf flowing in the draft, Parker would lean from the open cockpit and snap photos of the farmland below.

Results from the hand-held camera did not meet with instant acceptance. But at least Parker had introduced aerial photography to crop reporting. The year was 1920.

A project in the summer of 1971 may prove how far Parker's combination of flying cameras and farming have come.

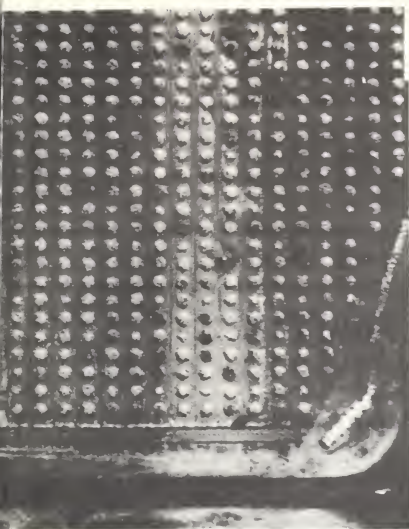
An experimental effort will be made to detect the existence and movement of corn blight with special equipment able to differentiate between healthy and infected plants.

Healthy vegetation produces bright red images on color infrared film, while diseased plants show tones of brown or green. Similar work has been done investigating other ailments affecting agricultural crops.

Photographic gear and multispectral scanners will be on board aircraft of the National Aeronautics and Space Administration and the University of Michigan when they fly over parts of seven Corn Belt States. The area sampled is estimated to have 60 percent of the 1971 corn acreage.

SRS selected 210 area segment sites in Ohio, Illinois, Missouri, Iowa, Minnesota, and Nebraska; 13 additional sites in Michigan also will be observed at 2-week intervals from June through September.

Of the 210 locations, 180 will measure approximately 1 mile long by 8



Left: Corn blight shows up dark on this computer-drawn picture. **Center:** Healthy trees appear light while the dark ones are infected with sooty mold. **Right:** USDA has quite a long history of using airborne photography to improve agriculture. The crew of a lighter-than-air ship was getting ready to check on a national forest in California when they posed for this picture over 40 years ago.

miles wide. Camera-carrying planes will make recordings at an elevation of about 11 miles. The other 30 sites—about 1 mile by 10 miles in the western third of Indiana—will undergo intensive review from low altitude multi-spectral scanner flights.

The scanner depicts healthy and diseased vegetation in individual wavelengths including blue, infrared, and thermal infrared. When the recordings are processed through computer centers at Purdue and Michigan Universities, the “picture” appears as groups of numbers. Healthy and infected areas are clearly apparent in the “picture.”

The Corn Blight Watch got underway in May when USDA enumerators in the Corn Belt States began interviewing farmers whose land appeared in a group of specially selected aerial photographs. Interviewers asked the operators about land use in each tract pictured. If any fields were planted to corn, then questions turned to type, variety, and cytoplasm (normal, Texas male sterile, and blends). The Texas

strain was susceptible to Southern corn leaf blight in 1970.

Interviewers were also interested in planting patterns and width of corn row. Farmers reported if blight had hit the fields in 1970.

After the survey, SRS selected fields in the 210 sites for the “Watch,” based on the corn seed cytoplasm used. Then two small plots inside the corn fields were randomly selected for on-the-ground observations. Each unit was a row of corn 30 feet long—the first 5 plants in the rows are studied every 14 days for corn blight damage. The results are compared with observations made from airborne investigations.

Researchers hope to determine if remote sensing can detect the presence of blight in fields and adequately monitor the movement. The overflight activities may also lead to a faster method of assessing the extent of any major disease.

Information from the 1971 Corn Blight Watch Experiment will be released as it becomes available.



SPOTLIGHT ON WEST VIRGINIA

West Virginia's apple trees are deeply rooted in the history of the Mountain State's agriculture.

Back in the early 1800's, there was a ridge in the State's eastern panhandle where pioneers used to pick and dry apples long before the days of commercial orchards. The site—in Berkeley County—is still called apple pie ridge.

Commercial apple production got started, as local legend has it, as a result of the Civil War. Back in the 1850's a farmer named W. S. Miller ventured into the nursery business. He found a ready market for his wares, particularly for apple trees.

When Virginia seceded from the Union and the 40 western counties of the State withdrew and rejoined the Union as West Virginia, Miller was

caught with a large order of trees and no customers.

Miller, believing in his product, planted the trees and thus founded a sizable orchard for himself. When the trees came into full bearing during the mid-1870's, an interested New Yorker one year bought the entire crop for \$17,000—a mighty tidy sum in those days.

When word of the sale reached the neighbors, farmers for miles around soon became very interested in the apple business and many planted orchards of their own.

The sale made quite an impression on Miller's young son, John, who set out 36 acres of his own apple trees and a dozen years later, another 26 acres. By 1900 he had an annual production



of approximately 25,000 barrels of apples.

West Virginia apple growers went on to produce many varieties and strains including the famous Golden Delicious, developed in Clay County in the central part of the State.

Today, the State has 201 commercial apple orchards, containing over 877,000 trees. During 1970 the industry that started as a defaulted fruit tree order yielded 5.0 million bushels of apples, worth \$12.8 million, placing it seventh in the Nation.

Peaches rank as the State's second most important fruit crop. In 1970, the 126 commercial peach orchards produced 20.0 million pounds, worth \$1.3 million.

Most of West Virginia's apple and peach production is located in the eastern panhandle, sandwiched be-

tween western Maryland and northern Virginia.

Tobacco, another important crop in the Mountain State, is also quite localized. West Virginia produces Burley Type 31 primarily in four counties close to the Kentucky and Ohio borders. In 1970 tobacco brought \$2.3 million to West Virginia growers.

On the livestock side of agriculture, cattle and calf operations, which are spread across the State, brought \$32.7 million to farmers in 1970; followed closely by dairying and calf operations, which earned West Virginians \$24.3 million.

Hay, which grows throughout the State, not only supports dairy and cattle operations but ranks first in dollar value among the crops grown in the Mountain State. In 1970 all hay was worth \$27.5 million.



Left: West Virginia apple trees get sprayed so the fruit will stay on the trees until pickers can get to them. **Above:** Apples are not only big business in West Virginia, they sometimes provide an impetus for community activities. Two youngsters operate a hand peeler. **Right:** Youngsters and their neighbors are making apple butter that will be sold to finance activities by a local church.



ag outlook

Digested from outlook reports of the Economic Research Service.
Forecasts based on information available through June 1, 1971

CROP SUPPLY AND DEMAND . . . Despite some uncertainties from blight and drought, crop production this year could climb 3% to 4% above 1970 because of increased acreages. But sharply reduced stocks of major commodities will keep supplies in fairly close balance to use during the coming season. Prices are expected to hold up well until new crops develop.

●
CASH RECEIPTS . . . Crop marketings, though more uncertain than usual, may bring farmers around \$21 billion in 1971, about \$1½ billion above last year. However, receipts from livestock may be about the same as last year's \$29.1 billion.

●
FOOD CONSUMPTION per person during 1971 looks like it could gain 1% over last year. We'll be eating more pork, beef, eggs, turkey, and cheese . . . less chicken, lamb, veal, and dairy products. For crops, the consumption outlook favors processed fruits and vegetables and vegetable oils, while there'll be declines in fresh fruits and vegetables.

●
RETAIL FOOD PRICES . . . up 0.8% in first quarter 1971 over the year before . . . should rise further into mid-summer. In late summer and fall prices may firm. For all of 1971 retail store prices may average around 2% higher than in 1970.

●
FARMERS' SHARE . . . Farmers received an average of 38c out of each \$1 consumers spent for food during first quarter 1971. This was 1c more than the previous quarter but 3c less than a year earlier.

●
TOBACCO . . . A smaller crop and a smaller carryover are in view. Farmers' March intentions indicate 6% less acreage, which should yield around 1.7 billion pounds of tobacco, 10% less than last year's crop.

SOYBEANS . . . U.S. farmers would harvest a 1,250 million-bushel crop this fall—a record high—if yields are on trend and the intended acreage planted. Soybean demands in 1971/72 will have to be met from 1971 crop production as carryover stocks are down to relatively low levels.

SOYBEAN PRICES . . . Averaging \$2.82 per bushel, August 1970–April 1971 soybean prices were 1/5 higher than the year before. Prices are expected to continue strong the remainder of the current marketing year.

COTTON CARRYOVER . . . August's cotton carryover is likely to total 4½ million bales, the smallest in more than a decade, and 1¼ million bales under that of August 1970. The smaller carryover in prospect continues a 5-year trend toward stock reduction.

CANNED AND FROZEN VEGETABLES . . . Processing growers plan 3% more acres for 8 major vegetables this year. These intentions portend a slightly larger supply of canned vegetables in 1971/72 than currently and a much larger but not burdensome supply of frozen vegetables.

LAND VALUES . . . Farmland values per acre increased 3% across the United States from March 1970 to March 1971. Acres along the eastern seaboard gained most. Alabama and Delaware led all States with 12% hikes. Per acre values in Washington and California were off 1% because of a drop in irrigated land value.

FARM REAL ESTATE values totaled \$214.0 billion this March 1, up 2.8% from a year earlier. Most of the higher value occurred in the South where changing farm practices and technology are pushing values upward.

NEW EXPORT RECORD . . . The 1971 fiscal year that ended June 30 likely saw a new record set in U.S. agricultural exports. Our total sales abroad are expected to top \$7.6 billion. Exports of wheat and soybeans led the gain.

FARM EXPORT OUTLOOK . . . Sales abroad may slacken for several reasons in the next 6 months. World grain production is likely to rebound after a dip in 1970/71, cutting the demand for our wheat. Also, prospects for shipping cotton abroad are dimming because of declining U.S. stocks and continued light domestic supplies.

HOG SLAUGHTER . . . Corn Belt producers plan to have 15% fewer sows farrow June–August. But the number of pigs saved per litter may be up, so winter slaughter may not fall 15%.

BROILERS . . . Chick placements through July for market supplies probably ran 6% below a year earlier. Competition with large pork supplies has tempered broiler prices and production costs have continued to rise. The index of prices paid by farmers for production items was up 5% from a year earlier in mid-April.

TURKEYS . . . If turkey producers cut back, as now seems likely, prices should strengthen by fall. Poult production in April was down 6% and turkey eggs in incubators on May 1 were off 3% from a year earlier.

STATISTICAL BAROMETER

Item	1969	1970	Latest data available	
Prices received by farmers (1967=100)	108	110	113	May
Prices paid, interest, taxes, wage rates (1967=100)	109	114	120	May
Ratio ¹ (1967=100)	99	96	94	May
Consumer price index, all items (1967=100)	110	116	120	April
Food (1967=100)	109	115	118	April
Agricultural exports (\$ bil.)	5.9	7.2	0.6	April
Agricultural imports (\$ bil.)	5.0	5.7	0.6	April
Disposable personal income (\$ bil.)	631.6	684.8	714.9	(³)
Expenditures for food (\$bil.)	103.6	114.2	117.0	(³)
Share of income spent for food (percent)	16.5	16.7	16.4	(³)
Farm food market basket: ²				
Retail cost (\$)	1,173	1,225	1,238	⁴ April
Farm value (\$)	477	480	475	⁴ April
Farmers' share of retail cost (percent)	41	39	38	⁴ April
Realized gross farm income (\$ bil.)	54.6	56.2	56.1	(³)
Production expenses (\$ bil.)	36.6	40.4	41.5	(³)
Realized net farm income (\$ bil.)	16.0	15.8	14.6	(³)

¹ Ratio of index of prices received by farmers to index of prices paid, interest, taxes, and farm wages.

² Average annual quantities per family and single person household bought by wage and clerical workers 1960–61 based on Bureau of Labor statistics figures.

³ Annual rate, seasonally adjusted, first quarter.

⁴ Estimated.



WOODEN NICKELS

Money does grow on trees. Cuttings from patches of woodland on U.S. farms swelled farm incomes by \$238 million in 1969. And many other wood products besides timber earned income. Such products included medical barks, edible berries, firewood, and Christmas trees.

Southern farmers gained most from their forests in 1969—they took home over half the \$238 million earned that year.

And the increasing demand for timber and other woodland products is likely to bring farmers with a forest ever increasing income in the future. Right now it takes 13.2 billion cubic feet of wood to meet this Nation's yearly needs. By the year 2000 that figure will probably double.

USDA is working on a national incentives program to help the private forest owner improve his resources. A large chunk—47 percent—of the Nation's woodlands belongs to farmers and private landowners with relatively small holdings.

The program's goals are threefold:

—To upgrade the quality and quantity of timber harvested from nonindustrial forestland.

—To enhance the environment.

—To recompense the private woodland owner for benefits the public receives.

Pilot loans, cost-sharing, and other special incentives are all part of the program.

Woodland management and marketing information and other services are available—often free—from a number of sources. Farmers with forests can often get on-the-spot help from their State-employed foresters. National Forest Rangers and forestry schools at State colleges or universities can also be of assistance.

The government publishes at least 70 publications on woodland management. A free listing of available items may be obtained by writing to the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Ask for *Price List 43, October 1970. Forestry: Managing and Using Forest and Range Land.*

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